

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 707 - SB 1043**

April 12, 2021

**SUMMARY OF BILL:** Prohibits the Department of Environment and Conservation from requiring a permit for the construction, installation, or modification of a land application system that has been authorized by the Board of Water, Quality, Oil and Gas for the purpose of creating an alternative to discharge to surface waters, such as land application and beneficial reuse of wastewater.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$160,000/FY21-22 and Subsequent Years/  
Environmental Protection Fund**

**Decrease State Expenditures - \$160,000/FY21-22 and Subsequent Years/  
Environmental Protection Fund**

Assumptions:

- Based on information from the Department of Environment and Conservation (TDEC), this legislation would have a significant impact on the Department's ability to implement adequate minimum design standards through its plan reviews, inspections, and permitting processes.
- In 2015, the TDEC was given primacy over the Underground Injection Control Program (UIC).
- Based on information from the TDEC, the Department will be unable to adequately review and permit plans for Class V injection wells, which is part of the current permitting process for subsurface land application systems.
- This would effectively force TDEC to relinquish primacy of the UIC program and federal funding received therewith.
- Based on information from the TDEC, this loss in federal funding is estimated to result in a decrease in state revenue of \$100,000 in FY21-22 and subsequent years to the Division of Water Resources, Environmental Protection Fund (EPF).
- Concurrently, a decrease in state expenditures of \$100,000 from the EPF in FY21-22 and subsequent years for the program.
- Anyone intending to construct a subsurface application system would be required to obtain a UIC authorization directly from the federal Environmental Protection Agency (EPA). Therefore, the net impact on federal expenditures is estimated to be not significant.

- This legislation will remove the Department's ability to review and permit certain land application systems, resulting in a loss of permit fee revenue.
- A decrease in permit fee revenue of \$60,000 from the EPF in FY21-22 and subsequent years.
- A total decrease in state revenue of \$160,000 (\$100,000 + \$60,000) from the EPF in FY21-22 and subsequent years.
- Such permit fee revenue is assumed to be fully expended each year for operations of the program. The total decrease in state expenditures from the EPF is estimated to be \$160,000 (\$100,000 + \$60,000) in FY21-22 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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